

Best Value toolkit: Public performance reporting



Prepared by Audit Scotland
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Introduction

The Audit of Best Value

“Achieving Best Value is about ensuring sound governance, good management, public reporting on performance and a focus on improvement”

The duty of Best Value applies to all public bodies in Scotland. It is a statutory duty in local government, and in the rest of the public sector it is a formal duty on Accountable Officers.

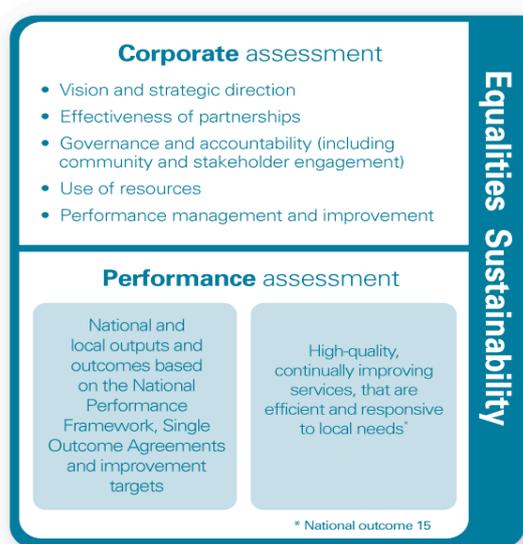
Best Value has already been a powerful force for improved performance and accountability in local government, and it will play an important role in supporting the Concordat and the development of Single Outcome Agreements between the Scottish Government, councils and their partners, and in streamlining and coordinating the scrutiny of public services. It also has the potential to underpin the National Performance Framework and the ‘management scorecard’ elements of Scotland Performs.

On behalf of the Auditor General and the Accounts Commission, Audit Scotland has identified a set of principles that form the basis for a consistent approach to the audit of Best Value across the public sector, although its application will differ to reflect factors such as the different accountability regimes and reporting arrangements in place in different sectors. This will enable us to apply a consistent set of expectations across all the bodies that we audit, and to reflect and support the reality of partnership working between organisations.

The Best Value toolkits are a key part of the practical application of the BV audit. They provide an evaluation framework that will help auditors to reach robust judgements on how public bodies are delivering Best Value. However, they cannot generate Best Value judgements on their own. They cover only part of the process. Judgements about Best Value also involve consideration of service standards and performance, outcomes and how effectively continuous improvement is being achieved. The framework through which the various elements of the Best Value audit are brought together to arrive at an overall conclusion on the extent to which an organisation is achieving Best Value is outlined below:

Exhibit 1

Framework for a BV audit of a public body



Source: Audit Scotland

As the diagram demonstrates, Audit Scotland's approach to the audit of Best Value entails both corporate assessment and performance assessment elements. The former focuses on how an organisation plans and conducts its business and manages its resources while the latter looks at the quality of those services and the outcomes for service users.

Audit Scotland is committed to ensuring that Best Value auditing across the public sector adds value to existing arrangements, is risk-based and builds on our existing knowledge of individual public bodies, and that of our scrutiny partners. Specifically we aim to:

- report on the delivery of outcomes for people who use services
- protect taxpayers' interests by examining use of resources
- put an increasing emphasis on self assessment by public bodies with audit support and validation
- work collaboratively with other scrutiny bodies to ensure our work is aligned and prevent duplication.

The Best Value toolkits

The Best Value toolkits are a series of audit diagnostics, which will help reviewers to establish the extent to which public bodies' arrangements are designed to achieve, and are actually delivering, Best Value. They have been developed to support the corporate assessment process around the five corporate assessment areas noted in Exhibit 1, and the two cross-cutting themes of equalities and sustainability. However, as each toolkit also incorporates a series of questions on the impact of the area under review, they will also provide some evidence to support the assessment of service performance and outcomes.

The Best Value toolkits have been developed as audit tools in consultation with specialist practitioners, and representatives of public bodies and professional groups.

The toolkits take the form of structured key questions, with a matrix of possible levels of performance, ranging from basic to advanced practice. The matrices cannot of course capture all of the ways in which a public body may address the requirements of Best Value, so there is clearly scope for auditors to exercise balanced judgement and for public bodies to respond flexibly in demonstrating how the key areas of challenge are addressed. Individual evaluations are made about the level a public body has attained in each question or area. However, these have not been weighted and it is not intended that these be used to determine an overall scoring for any toolkit. They are designed to contribute to sound professional judgements, not to replace them.

Using the toolkits

The toolkits are designed for application by Audit Scotland's auditors when carrying out Best Value audits of public bodies. In practice, the toolkits will be applied as part of an audit process, whereby the auditor makes enquiries, seeks supporting information and forms conclusions based on the evidence obtained.

Audit Scotland recognises that bodies may find the toolkits helpful in carrying out general organisational reviews or specific service reviews and are therefore available in the Audit Scotland website www.audit-scotland.gov.uk. It should be stressed however that public bodies using the toolkits do so at their own discretion. The toolkits are designed principally as audit tools that are part of

Audit Scotland’s overall Best Value audit methodology and are not expressly produced for self-assessment purposes.

Any organisation using the toolkits to inform their own corporate or service-based self-evaluation processes will need to consider the local context when applying them, and also the indicative rather than conclusive nature of the findings when interpreting the results. The toolkits were designed to elicit contextual information and provide evidence for arriving at professional audit judgements. They are not intended to be, and cannot be, used in a “tick-box” fashion.

The Best Value toolkits are generic in nature, in that they are not specific to any one type of public body or to any one sector and are designed so that they can be applied to all public bodies. Auditors will require to be sensitive to the differences between organisations both in terms of different sectors and varying scales of operation.

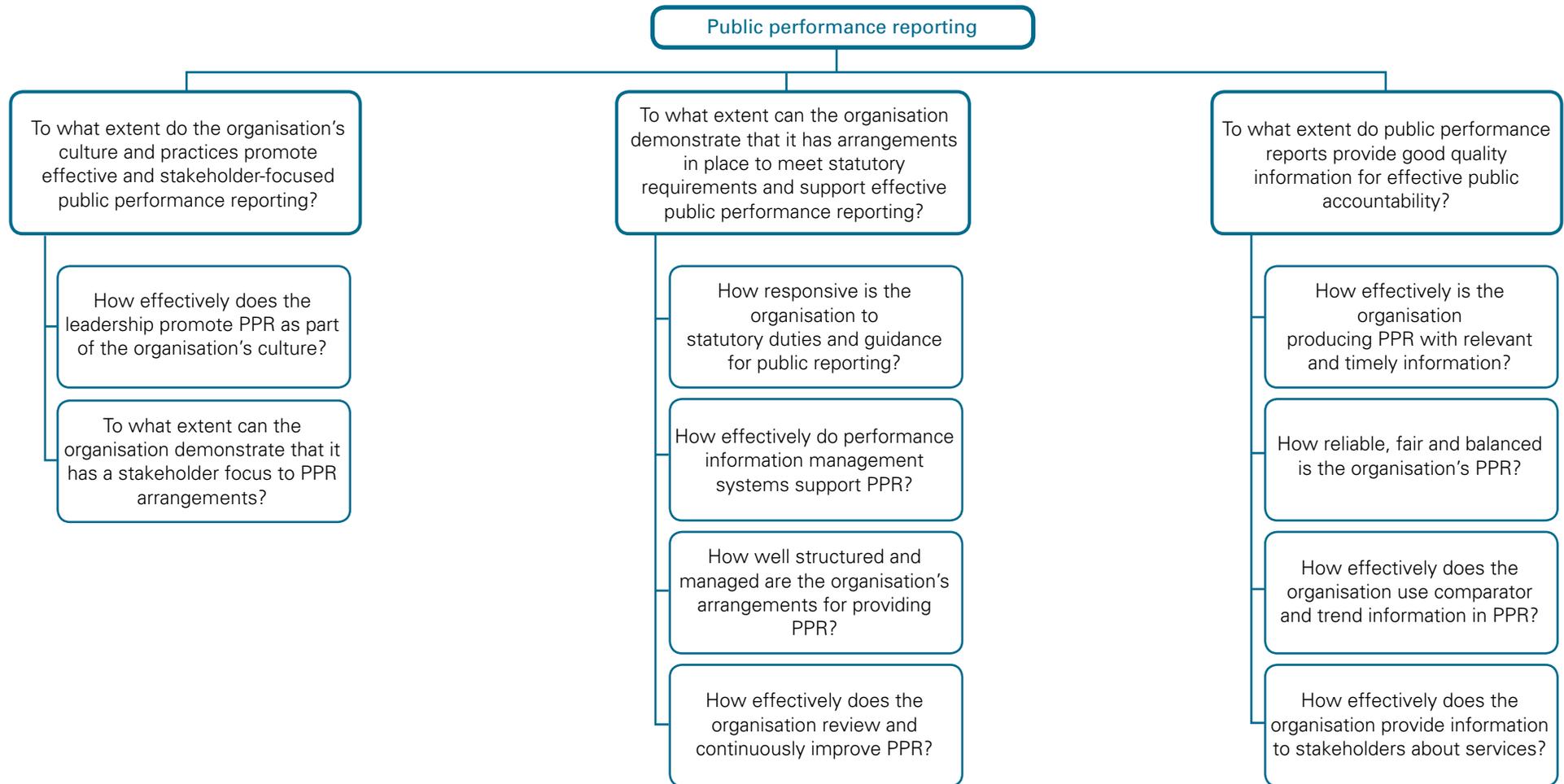
This toolkit forms part of a suite of audit products that will be applied, over time, to support a structured, evidenced based, judgment on an organisation’s approach to the use of the resources with which it has been provided and its achievement of Best Value.

Auditors’ evaluations

The toolkit takes the form of a series of questions based on identified good practice. It then offers four sets of descriptors, these being:

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| Does not meet basic requirements | An organisation may not yet demonstrate the basic practice level in any particular category. |
| Basic practices | Minimum acceptable standards, which would be sufficient to allow an organisation to demonstrate sound performance. |
| Better practices | As basic, with some elements of good or even best practice, but not on a consistent basis. |
| Advanced practices | Consistently demonstrating good or best practice and contributing to innovation. |

Best Value toolkit: Public performance reporting



BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|---|---|--|---|
| 1. To what extent do the organisation’s culture and practices promote effective and stakeholder-focussed public performance reporting? | | | |
| 1.1 How effectively does the leadership promote PPR as part of the organisation’s culture? | The leadership of the organisation demonstrate commitment to effective PPR by assigning clear responsibilities, lines of accountability and specific resources/capacity for developing and delivering the organisation’s approach to PPR. | The PPR planning and arrangements clearly reflect the organisation’s vision, purpose and objectives. Consideration of any implications/need for PPR is made where there are significant policy decisions or changes. There are pockets of good practice within the organisation where PPR is embedded in local practice. | The leadership of the organisation ensures that the importance of PPR is embraced, well understood and established throughout the organisation as part of the organisation’s culture. Examples of good practice are widespread. The leadership of the organisation is able to demonstrate that it actively encourages continuous improvement of the organisation’s PPR arrangements. |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|---|--|--|---|
| 1.2 To what extent can the organisation demonstrate that it has a stakeholder focus to PPR arrangements? | <p>The organisation can demonstrate that it has undertaken some analysis of its stakeholders. It has used this to inform its PPR arrangements.</p> <p>Collectively the organisations PPR provides stakeholders with a broad picture of the performance of the organisation, with more detailed information on some areas/services and/or objectives.</p> <p>There are examples where the arrangements provide accessible and relevant information for specific stakeholder groups.</p> | <p>The organisation can demonstrate that it knows who its stakeholders are and consults them about the types of information they want to receive.</p> <p>Collectively PPR allows stakeholders to form a clear view of the organisation’s overall performance and of relevant areas/services and or objectives. This picture of performance includes relevant information for stakeholders about the outcomes and impact of the work undertaken.</p> <p>Performance information is presented in plain language, in a tone and style that stakeholders can readily relate to and understand, and in formats which meet stakeholders’ requirements - for example:</p> <ul style="list-style-type: none"> • the use of jargon is avoided, and unfamiliar terms are explained • appropriate use is made of simple charts, diagrams, illustrations and symbols to help stakeholders understand complex data • The organisation can demonstrate that it provides performance information that is published : • to suit stakeholders’ timing preferences as well as its own • using an appropriate range of media. <p>The organisation can demonstrate that it recognises that different groups of stakeholders have different needs and that it adapts its PPR approach accordingly - for example:</p> <ul style="list-style-type: none"> • there is evidence that special emphasis has been placed on ‘hard to reach’ groups • the information provided - and the media used - take account of equalities and accessibility issues, including people from socially-excluded and under-represented groups. | <p>It is clear that the organisation takes a stakeholder focused approach to PPR and can demonstrate that this has had a positive impact.</p> <p>The organisation regularly consults stakeholders on the media, types and range of information which they would like to receive and can demonstrate that it has built on and refined its PPR approach over time as its understanding of stakeholder interests and preferences has developed.</p> <p>The organisation encourages an increase in stakeholders’ awareness of and interest in performance information.</p> <p>The organisation carries out follow-up work to help ensure that stakeholders’ perceptions of the organisation’s performance reflect actual performance.</p> |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|--|--|--|---|
| 2. To what extent can the organisation demonstrate that it has arrangements in place to meet statutory requirements and support effective public performance reporting? | | | |
| 2.1 How responsive is the organisation to statutory duties and guidance for public reporting? | <p>Statutory requirements for reporting are being met. For example, requirements for annual reporting of accounts and for reporting of performance are complied with.</p> <p>There are some arrangements to address the expectations of recognised guidance.</p> | <p>Statutory requirements for reporting are consistently being exceeded. For example, the annual reporting of accounts and reporting of performance have been produced for a number of years to a high standard that not only comply with requirements, but exceed them.</p> <p>There are clear and systematic arrangements to address the expectations of recognised guidance.</p> <p>The organisation can demonstrate examples where practice exceeds the expectations of recognised guidance.</p> | <p>The organisation's arrangements for PPR fully encompass the aims of statutory duties and recognised guidance and consistently exceed these expectations.</p> <p>The organisation develops good practice, guidance and tools for PPR, relevant to the wider sector.</p> |
| 2.2 How effectively do performance information management systems support PPR? | <p>The organisation's PPR arrangements make effective use of the performance information that is available from the organisation's performance management information systems.</p> | <p>The organisation's performance information management arrangements consider the requirements for effective PPR and facilitate meaningful PPR.</p> <p>When the organisation reviews the effectiveness of its performance information management arrangements it considers its PPR approach and makes necessary changes to secure improvements.</p> | <p>The organisation's performance information management arrangements are well developed and public reporting is closely integrated into the performance management framework.</p> |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|---|---|---|---|
| 2.3 How well structured and managed are the organisation's arrangements for providing PPR? | <p>The organisation's arrangements for PPR include the following characteristics:</p> <p>Public reporting is regularly produced by the organisation at strategic and at service levels.</p> <p>There are arrangements for reporting activity and progress against joint objectives with partners, where applicable.</p> <p>There are examples where the organisation has made provision for addressing equalities issues within its PPR arrangements.</p> <p>Some guidance and/or training on PPR is available for staff producing PPR.</p> | <p>The organisation has clearly defined its arrangements for PPR. These arrangements include the following characteristics:</p> <p>There is a planned and coordinated approach for delivering strategic and service-level public reporting.</p> <p>Reports are produced in line with this plan/programme and in line with the organisation's agreed standards/guidance.</p> <p>The arrangements clearly identify:</p> <ul style="list-style-type: none"> • what information will be provided, • when and how the information will be provided • who is responsible. <p>The organisation has effectively integrated its PPR approaches with broader partnership arrangements.</p> <p>The organisation has made effective provision for addressing equalities issues across its PPR arrangements.</p> <p>Appropriate PPR guidance and training is provided to staff producing PPR and this is reviewed/ refreshed regularly.</p> | <p>There are clearly defined and coordinated partnership, strategic and service level arrangements which show progressive practice. These ensure PPR is effectively planned, systematic, monitored and reviewed, and also supports effective methods for reporting.</p> |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|---|--|---|--|
| 2.4 How effectively does the organisation review and continuously improve PPR? | <p>The organisation can demonstrate that it considers the cost/benefit balance for PPR activities.</p> <p>The organisation can demonstrate that it reviews its PPR arrangements and implements identified improvements as appropriate.</p> <p>The organisation provides sufficient opportunities for stakeholders to give feedback on PPR. It uses this feedback to inform improvements.</p> | <p>The organisation evaluates and ensures a cost/benefit balance for PPR. The analysis method is transparent and the rationale for decisions about approaches taken is clear.</p> <p>The organisation systematically reviews its PPR plan/programme, approaches and tools to ensure that they remain effective and appropriate to stakeholder needs.</p> <p>The organisation is able to demonstrate consideration of developments in PPR (e.g. benchmarking across the sector, the wider public sector, and/or the private sector).</p> <p>Information from stakeholders' feedback about PPR is captured and fed methodically into improvement systems.</p> | <p>The effectiveness and impact of individual exercises in PPR are systematically reviewed for learning. Learning is also systematically disseminated in the organisation.</p> <p>The organisation seeks evidence of how well stakeholders have understood the information provided in PPR, [e.g. they know how the organisation is performing] and use this information to improve approaches to PPR.</p> <p>The organisation is able to demonstrate that it effectively contributes to the development of PPR arrangements across the sector and/or wider public sector.</p> |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|--|--|---|---|
| 3. To what extent do public performance reports provide good quality information for effective public accountability? | | | |
| 3.1 How effectively is the organisation producing PPR with relevant and timely information? | <p>Performance information has a demonstrable audit trail to the primary data from which it was derived.</p> <p>Performance information, including information about outcomes and impact, is reported with relevant measures and targets clearly conveyed.</p> <p>The organisation is able to demonstrate examples where:</p> <ul style="list-style-type: none"> • Performance information is published at appropriate times and, where appropriate, regular intervals. • Critical performance areas are identified and high-level performance reporting focuses on these. • Performance information used in PPR is clearly linked to the organisation's aims and objectives. • PPR includes information on the outcomes and impact of work by the organisation, service or partnership. • PPR includes information on proposed actions to address areas for improvement. | <p>The organisation consistently demonstrates the characteristics described in basic practice and in the bullet list below, where appropriate:</p> <ul style="list-style-type: none"> • PPR includes relevant contextual information e.g. statutory duties, geography, demography, funding, resources and risks. • PPR includes details of the standards and targets against which performance is being measured. • PPR includes information about stakeholder feedback and complaints and how the organisation is responding to these. • PPR shows how the organisation is improving efficiency, focusing on priorities, and achieving value for money. <p>Where PPR details the impact and outcomes being delivered to customers and stakeholders, clear links are made to the activities contributing to these.</p> <p>The organisation regularly reviews the timeliness and regularity of its PPR and amends its approach, where appropriate.</p> | <p>PPR clearly sets out the relationship between inputs, outputs and outcomes – this should include information on: costs and funding; quality and accessibility of services; and outcomes.</p> <p>The organisation can demonstrate that it has adopted advanced and effective approaches to providing relevant and timely information.</p> |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|---|--|--|--|
| 3.2 How reliable, fair and balanced is the organisation's PPR? | <p>Performance information is based on reliable sources of evidence and is fairly interpreted.</p> <p>PPR is balanced, reflecting areas of weaker performance as well as strengths.</p> <p>PPR clearly sets out and explains standards and targets used in performance information</p> <p>PPR includes information about contact and complaint arrangements.</p> | <p>Sufficient context/ background and comparative information is supplied to give stakeholders a rounded and balanced assessment of the organisation's performance.</p> <p>PPR clearly describes the organisation or service's strengths and weaknesses across all aspects of the service or organisation.</p> <p>Performance information is based on reliable and varied sources of evidence and is fairly interpreted.</p> <p>Performance information is subject to some degree of independent validation.</p> <p>PPR includes the findings of scrutiny bodies (where such findings are relevant).</p> <p>[Note: Scrutiny bodies – Organisations responsible for regulation, audit, inspection and complaints handling of public services]</p> | <p>PPR alerts stakeholders to current and future opportunities and challenges to delivery of performance to standards or targets; and informs them of what they should expect in terms of future performance.</p> <p>PPR includes details of improvement activities in response to scrutiny bodies' recommendations. It provides reports on progress with improvements and of follow-up activity by the scrutiny bodies.</p> |

BEST VALUE TOOLKIT: ASSESSMENT MATRIX – PUBLIC PERFORMANCE REPORTING

| | Basic practice | Better practice | Advanced practice |
|---|---|---|--|
| <p>3.3 How effectively does the organisation use comparator and trend information in PPR?</p> | <p>Some of the organisation’s PPR includes comparison of performance with other organisations.</p> <p>PPR includes analysis of performance over time and an indication of ‘direction of travel’ i.e. it sets out clearly whether performance has improved or deteriorated over relevant timescales.</p> <p>Performance information includes clear explanation of changes to performance over time.</p> <p>Changes to performance measures and/or targets are appropriate and are clearly explained.</p> | <p>There is systematic and effective use of comparator information in performance reporting, where this is appropriate, to enable stakeholders to make informed comparisons of performance achieved in different years and/or with other organisations.</p> <p>Performance information includes clear rationale for selected comparisons – i.e. of the organisation’s comparators and relevant context.</p> <p>The organisation contributes to PPR across the relevant sector(s) or across the wider public sector.</p> | <p>The organisation has established/significantly influences or takes the lead in developing public performances information for the relevant sector(s) or for the wider public sector.</p> |
| <p>3.4 How effectively does the organisation provide information to stakeholders about services?</p> | <p>PPR includes clear links to the services available to stakeholders and customers, and how those services can be accessed.</p> <p>PPR includes information, links to, or provides guidance on how stakeholders can access further information on service performance.</p> <p>Prospective and current service users understand what services are available and, broadly, what standards they should expect.</p> | <p>Where appropriate, relevant service level PPR is available at the point of use/contact.</p> <p>Service level standards/ information on the level of expectation users can have of services are readily accessible.</p> <p>Stakeholders understand the organisation’s overall performance from available PPR information.</p> | <p>The organisation has established advanced and effective arrangements to provide information on services to stakeholders.</p> <p>Stakeholders make use of PPR information when making key decisions (e.g. choice of service provider, allocation of funding, where to locate).</p> |

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You can also download this document at:
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